

SUMMARY OF NO. 15-26

This proposed law would create and amend programs that govern the use of electricity generated from renewable energy resources.

The proposed law would establish a Commonwealth Solar Program. Under this program by December 31, 2025, 20% of all retail electricity sales would be required to come from solar renewable energy resources, with 50% of those sales coming from community-shared solar or commercial community-shared solar facilities, which would provide electricity to multiple customers from a centrally located solar array. Both a community-shared solar facility and a commercial community-shared solar facility would have three or more eligible recipients of net-metering credits. For a community-shared solar facility, not more than 50% of these credits would be allocated to two such recipients and each of the remaining recipients would receive not more than the amount of credits produced annually by 25 kilowatts AC capacity. For a commercial community-shared solar facility, not more than 50% of these credits would be allocated to two such recipients and each of the remaining recipients would receive not more than the amount of credits produced annually by 300 kilowatts AC capacity. All community-shared and commercial community-shared solar facilities would be credited the full solar net-metering rate.

The proposed law would also require retail electricity suppliers to increase the minimum percentage of electricity from designated renewable energy generating sources that they provide to end-use customers by 1% each year until December 31, 2016, and by an additional 2.5% each year thereafter.

The proposed law would also change the state's net-metering program, which allows customers of electric distribution companies to generate their own electricity to offset their electricity usage and to sell excess electricity back to the distribution companies. The proposed law would increase the allowable generating capacity for a Class II net-metering facility from 1 megawatt to 3 megawatts and, for a Class III net-metering facility, from 2 megawatts to 6 megawatts.

The proposed law would also create a solar net-metering credit, calculated by a formula that could be adjusted by the state Department of Public Utilities. A solar net-metering facility with capacity equal to or greater than 1 megawatt of electric output would be eligible for this credit, which would be available after December 31, 2016.

The proposed law would remove existing limits on available capacity eligible for net-metering facilities within each electric distribution company service territory, except that it would maintain the current cap of 10 megawatts on the amount of

generating capacity eligible for net metering by a municipality or other governmental entity.

The proposed law would amend an existing local property tax exemption for certain net-metering solar or wind installations to only those installations that produce not more than 125% of the annual electric needs of the property on which they are located. Other solar and wind installations would be fully tax-exempt if the property owners make an annual payment to the municipality equal to 6% of gross electricity sales of the installation. These property-tax exemptions would be allowed for 20 years after the installation's first operation.

The proposed law would require the state Department of Energy Resources to establish incentives for developing storage technologies to complement solar and other renewable and alternative energy generation resources. The proposed law would also require the state Department of Public Utilities to open a proceeding to investigate barriers to interconnection of distributed generation resources.